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Held at Headquarters, New York,
on Monday, 6 July 1992, at 10 a.m.

President: Mr. MROZIEWICZ (Poland)

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The meeting was called to order at 10.20 a.m.

STATEMENT BY THE SECRETARY-GENERAL

The SECRETARY-GENERAL said that, while the end of the cold war had diminished fears of global war and devastation, it had been followed by fierce new assertions of nationalism, as well as ethnic and religious challenges to social peace and the cohesion of States. At the same time, the recent improvement in the material well-being of millions of people was taking place in the context of a growing disparity between rich and poor. The statistics were undeniable: the industrialized world, with 25 per cent of the world's population, consumed 70 per cent of the world's energy, 75 per cent of its metals, 85 per cent of its wood and 60 per cent of its food.

Many developing countries were confronted with high inflation, large fiscal deficits, inadequate investment and serious debt burdens, as well as deteriorating physical and social infrastructures. Policy reforms and adjustment programmes, which could bring long-term progress, caused short-term distress and were therefore avoided or inadequately implemented. The result was insufficient development, persisting inequality and increasing instability.

The crisis was no longer confined to the disparity between North and South. The countries of Eastern Europe and the former Soviet Union were struggling in their transition towards democracy and market economies. Those nations faced constraints similar to those encountered elsewhere in the world, namely, lack of financial and technical resources, shortage of technical personnel, outdated production structures, inability to make productive use of technology, serious environmental problems and restricted access to world markets.

It had often been noted that there were many poor people in the rich countries of the North and many rich people in the South. There was not only growing inequality among nations but, increasingly, also within nations.

(The Secretary-General)

Together with poverty, the unjust distribution of national economic resources bred social discontent and upheaval. Those concerned with managing economic transformation must endeavour to balance the pace of economic change with the need to care for the poor and vulnerable. In order to bridge the gap between the rich and the poor, investment in human development, particularly education and health, with emphasis on creating opportunities for the advancement of women, must be significantly increased.

With a view to furthering an integrated approach, he had urged that a reinvigorated and restructured Economic and Social Council should be invited to provide to the Security Council, in accordance with Article 65 of the Charter, reports on economic and social developments that could threaten international peace and security. For the same reason, he had stressed that the focus of the United Nations should remain on the "field", the location where economic, social and political decisions took effect and where artificial lines between them tended to disappear. He was currently taking steps to rationalize and, in certain cases, integrate the work of the Organization's various bodies within specific countries.

In order to be successful, peacemaking and peace-keeping must be integrated with comprehensive efforts to identify and support structures that would consolidate peace and foster a sense of confidence and well-being among people. In addition to traditional military tasks, such operations entailed new responsibilities, which included monitoring elections, advancing human rights, attending to the needs of refugees, protecting minorities, reforming or strengthening government institutions and promoting political participation. For the longer term, peace-building would involve cooperative projects that linked two or more countries in mutually beneficial undertakings in such areas as agricultural development, shared water resources, transportation networks and educational exchanges.

In restructuring the Secretariat, he had consolidated all elements dealing with economic and social issues at Headquarters into a new Department of Economic and Social Development. That would help avoid duplicated functions and would facilitate work with the political sectors of the Secretariat. In the second phase of restructuring, he intended to integrate

(The Secretary-General)

more closely the work of the Secretariat at Headquarters with that of the regional commissions and of United Nations programmes in order to stimulate interaction between policy, research and technical cooperation with a view to promoting high-quality growth and sustainable development.

It was particularly important to scrutinize carefully, and adjust as necessary, the role of the United Nations in operational activities. He intended to seek broadly representative high-level advice on that subject from academic, business and government circles, as well as from other individuals knowledgeable about the United Nations system. That would help to ensure that the policy advice that the Organization provided to Governments was coherent and that the various bodies could draw on each other's resources and concentrate on areas in which they had a clear comparative advantage.

The resources of the entire United Nations system, the specialized agencies, the international financial institutions and the development programmes must be harnessed in international cooperation for the reduction of poverty and the creation of economic opportunity for all. The Bretton Woods institutions had the technical and financial resources needed to promote macroeconomic adjustment and create adequate conditions for investment and growth. The coherent and rigorous application of the Organization's expertise in the socio-economic and environmental fields could have a greater impact on the design and implementation of adjustment and restructuring programmes supported by the International Monetary Fund (IMF) and the World Bank. In addition, the lending policies of the Bretton Woods institutions could reinforce United Nations efforts to promote social development and protect the environment.

There was an urgent need to establish a closer link between the international financial institutions, including the regional development banks, and the United Nations programmes and departments dealing with peace-keeping, peacemaking, post-conflict peace-building, preventive diplomacy and humanitarian assistance. Such institutions could provide the resources to facilitate the transition of United Nations actions from peace-keeping and relief operations to reconstruction and development in the cause of peace-building.

(The Secretary-General)

The United Nations was a forum for problems of particular concern to the developing countries. The Organization had the crucial responsibility to monitor economic and social trends that might emerge as sources of political instability. The United Nations must encourage economic and social cooperation to facilitate the integration of developing countries and countries in transition into the world economy. Primary consideration should be given to access to world markets for products from poor countries, and to official financing needed to carry out adjustment programmes, strengthen infrastructures and enhance education in order to enable those countries to attract private flows in future.

The Economic and Social Council should introduce a flexible, high-level inter-sessional mechanism that would enable the Council and its Bureau to respond in a timely way to new developments in the economic and social sphere. Through a continuing dialogue with organizations of the system, the inter-sessional mechanism could build agreement on common ends and objectives and adapt the economic and social policy agenda to rapidly changing requirements. Its work should be rooted in sound analysis and understanding of developments and global trends. It should encompass an "early-warning" function, covering developments and trends that might lead to threats to security and well-being. Member States represented in the high-level inter-sessional mechanism would be urged to send experts and representatives who had access to top decision makers and could speak for their Governments on issues of global concern.

Under Article 62 of the Charter, the Economic and Social Council had the authority to call international conferences on matters falling within its competence. The United Nations Conference on Environment and Development, the largest summit ever held, had just concluded at Rio de Janiero. In 1993, the first World Conference on Human Rights would be held. In 1994, the International Conference on Population and Development would take place and, in 1995, the Fourth World Conference on Women would be held. Such conferences had become a mechanism of utmost importance for incorporating practices, commitments and laws into the international system, and they were building a body of fundamentally accepted guidelines across a range of major world issues.

(The Secretary-General)

The attraction of the proposed world summit on social development was precisely its potential to build a network of communications where few bridges or roads currently existed. The summit would increase awareness of global issues and help build a consensus on dealing with them at the local, national, regional and international levels.

Only the United Nations could convene conferences involving heads of State or Government to examine complex issues and propose integrated approaches. The Conference on Environment and Development had been held in response to the immense challenge of integrating environment and development at the national, regional and global levels as a prerequisite to movement towards sustainable development. It was no longer credible to speak of the environment without putting it squarely in the context of economic and social development, nor was it possible to discuss development in isolation from the environment. The Rio de Janeiro Charter marked a significant advance: States were henceforth obliged to take global environmental consequences into consideration in their domestic planning decisions. Agenda 21, was a centre-piece of international cooperation, and the establishment of a high-level commission on sustainable development under Article 68 of the Charter, and under the authority of the Economic and Social Council, would be crucial in the monitoring and integration of the tasks set by Agenda 21.

The world currently faced a unique opportunity. While economic and social problems were unprecedented in their magnitude and severity, there were also unprecedented reasons for optimism. There was a shared sense of urgency and a growing awareness that closer international cooperation was both necessary and possible. If the countries of the world grasped those possibilities with good will and good sense, they would find themselves on the road to a more humane and successful world.

ADOPTION OF THE AGENDA (E/1992/100, E/1992/L.20/Rev.1 and Corr.1)

The agenda was adopted.

ENHANCING INTERNATIONAL COOPERATION FOR DEVELOPMENT: THE ROLE OF THE UNITED NATIONS SYSTEM (E/1992/82 and Add.1)

Mr. MARKER (Pakistan), speaking on behalf of the Group of 77, said it was disappointing to note that, in 1991, total world production and incomes had fallen for the first time since the Second World War. The main reason was that, as stated in the World Economic Survey 1992, the economies of Eastern Europe and the former Soviet Union had been disrupted even further than in 1990; growth in the major industrial economies had slowed down, too, and several were in recession. World per capita output had declined by over 2 per cent in 1991, after virtually stagnating in 1990.

The international climate remained heavily weighted against the developing countries, whose efforts to foster development were still frustrated by denial of market access, dwindling resource flows, absence of foreign investment, a crushing debt burden, restrictions on technology transfer and inequities in world monetary, financial and trade systems - factors which had worsened the predicament of the least developed countries. National policies alone, and limited crisis-response measures by the major industrialized countries, could not solve the world economy's inherent problems, which were fundamental and interdependent and called for a concerted global effort.

Greater economic assistance on concessional terms for the developing countries was pivotal to a speedier restructuring of the world economy. There must be a balance between development aid and policy-based lending, and loan conditionalities should not exceed adjustment capacity. Despite initiatives such as debt-equity swaps and rescheduling, progress in debt reduction had in most cases been modest. Although the Group of 77 wholeheartedly supported the initiatives and strategies focused on the severely indebted middle-income and low-income countries, it stressed that several developing countries, including Pakistan, had undertaken bold, growth-oriented adjustment programmes and had managed their economies prudently but still had very high debt burdens. Since such countries were deriving virtually no benefit from existing initiatives, the evolution of a more equitable strategy was suggested.

A special effort must be made to ensure the successful conclusion of the Uruguay Round of multilateral trade negotiations and to provide broader

(Mr. Marker, Pakistan)

information for economic policy, including data to enable dumping to be dealt with more effectively without major disruption of international trade.

Instruments such as the declaration adopted by the General Assembly at its eighteenth special session, the International Development Strategy for the Fourth United Nations Development Decade, and Agenda 21 adopted at the United Nations Conference on Environment and Development held in Rio, were fundamental guidelines for common action. There was growing recognition that the United Nations had a vital role to play in attaining key development objectives for the 1990s, and that the system's capacity and effectiveness must be enhanced. In that regard, the most important element in the Secretary-General's report (E/1992/82 and Add.1) appeared in paragraphs 65 and 66, to the effect that poverty eradication was one of the Organization's most important goals but could not be achieved without a new commitment of resources, and that, although there was considerable room for the reallocation of resources at both the national and international levels, additional resources would still be required; the developing countries would need to mobilize their own resources, and substantially increased bilateral and multilateral assistance would be necessary to support their efforts.

The Group of 77, while strongly endorsing those observations, felt that the report conveyed the impression that peace and security were the main - if not the only - prerequisite for development. Other issues, such as poverty eradication and the removal of current inequities in the global economic system, were equally essential; international development cooperation should be treated on an equal footing with the preservation of international peace and security, with which it was inextricably linked. The Group also cautioned against any attempt to redefine the developing countries' priorities or confine international development cooperation to operational activities. The developing countries would not accept any prescriptions which violated the fundamental principle of sovereignty of States.

The overall objective of restructuring was to make the United Nations more responsive to the need to enhance international economic cooperation in favour of the developing countries, preserving the democratic principles which underpinned the Organization's decision-making process; General Assembly

(Mr. Marker, Pakistan)

resolution 45/264 set forth the relevant principles and guidelines. The need to rationalize the operational arm of the United Nations system was recognized. Financing proposals in that regard must ensure that the provision of resources and technical assistance to developing countries was stable and assured, reflecting the neutrality of funding as well as the recipient countries' needs, policies and priorities.

He had outlined some of the Group of 77's broader concerns; statements in greater detail on those and other issues would doubtless be made by the Group's individual delegations.

Baroness CHALKER of WALLASEY (United Kingdom), speaking on behalf of the European Community and its member States, said that the United Nations, in facing the challenge of the unprecedented changes taking place in the world, seemed to have been less successful in dealing with economic and social problems than in the area of peace and security; as the joint Nordic memorandum (E/1992/91) had shown clearly, the United Nations system had in many cases evolved in a fragmented way over the past 45 years. The linkages, more apparent than ever before, between peace and security and the achievement of economic and social progress, human rights, democracy and good governance made it essential to re-examine the United Nations system with a view to achieving a more integrated response. For example, the United Nations would have a pivotal role in following up the strategy for sustainable development agreed upon at the United Nations Conference on Environment and Development. Although progress had been made during the past two years, such as the welcome wide-ranging reform of humanitarian assistance agreed upon at the forty-sixth session of the General Assembly, difficulties were still encountered in developing and implementing integrated strategies, and the Council had hitherto failed to fulfil satisfactorily its coordination role under the Charter.

Two areas which merited particular attention were the governance and financing of United Nations development agencies and the relationship between the United Nations and the Bretton Woods institutions. With regard to the first, United Nations funds and programmes needed better management by the bodies themselves and more effective governance by the membership. The

(Baroness Chalker of Wallasey, United Kingdom)

development system should be radically reformed so as to prepare it for the challenges of the next century. Some excellent ideas had been put forward in that regard, including those in the Nordic project as described in document E/1992/91. Too often, however, the agencies' original mandates had been undermined by uncertainty and politicization, member States' wishes had sometimes been given insufficient weight, and competition between agencies had caused overlapping. There was need for strong leadership by the Secretary-General and for discussion by the Administrative Committee on Coordination of ways in which the agencies could focus on performing their traditional tasks better. With regard to the second area meriting attention, it was important to clarify the institutions' respective roles and those of other United Nations bodies, paying more heed to their respective advantages and reaching clear agreement on the priorities of each.

Although reform might be difficult, the importance the Member States attached to it was shown by the high-level participation in the Council's current session, which should lay the basis for reform of the United Nations development activities, to be considered at the General Assembly's next session, at which, the requisite decisions could be taken.

Mrs. LANDRY (Canada) said that Canada welcomed the leading role of the United Nations debates and activities in promoting democracy, human rights, peace and the economic development throughout the world, and would be hosting, in early 1993, a UNESCO congress on education in the field of human rights and democracy. The United Nations was a potent instrument for shaping opinion and the policy trends for which the current era would be known, examples being the work of UNDP in human development and that of UNICEF in protecting vulnerable groups throughout the development process. Such themes had become universally accepted and they influenced the work of many other multilateral institutions, such as the World Bank and IMF.

At its second regular session of 1991, the Council, with strong encouragement by Canada, had initiated in-depth consideration to ensure better coordination of worldwide humanitarian assistance; consequent action by the General Assembly had led to the appointment of an Under-Secretary-General for

(Mrs. Landry, Canada)

Humanitarian Affairs, whose department must be given the requisite human resources.

With reference to the proposed world summit on social development, Canada had stressed the role the United Nations should play in promoting national policies and reducing economic and social inequalities; the proposed summit should encourage the closer integration of social factors into overall economic planning. The global commitment to sustained development forged at the Rio Conference meant that henceforth virtually all United Nations programmes must reflect the need to integrate environmental protection with economic development; that approach, in tandem with national commitments, would be the key to sustained development as a global objective into the next century. Canada attached considerable importance to the proposed new high-level commission on sustainable development, and would take part in the General Assembly's discussions, at its next session, on the commission's specific modalities.

In order to enhance the United Nations role in international development it was important to define what the United Nations system could do to improve its own impact and to complement the efforts of developing countries and development organizations. The roles of the core development programmes - UNDP, UNFPA, UNICEF and WFP - should be considered first; those of the specialized agencies, regional commissions and other bodies could perhaps be addressed at a later stage. To begin with, the role of the Council itself should be redefined. Canada supported the Secretary-General's action to streamline the Secretariat, and looked forward to his further proposals. It wondered, however, whether the leadership role of the Department of Economic and Social Development on policy and coordination issues was compatible with its project execution role; if the latter were transferred elsewhere, the Department might be recast so as to become the development secretariat of a revitalized Council as the governing body of the development system. The Nordic recommendations, as modified by consultations, should be implemented forthwith.

Canada supported the following actions: firstly, the establishment, within the Council, of the functions of policy-setting and overall direction

(Mrs. Landry, Canada)

for the entire United Nations development system; secondly, the establishment of a small, professional semi-permanent Executive Board, representing UNDP, UNICEF, WFP and UNFPA, with a double majority voting system in which decisions must be agreed by a majority of representatives of developed and developing countries alike; thirdly the restructuring of the Department of Economic and Social Development as the Council's development secretariat, to act as the administrative channel for all funding and the coordinator of global issues; and fourthly, the establishment, in each major recipient country, of a coordinator appointed by the Secretary-General and empowered to coordinate an integrated programme in each country. Those initial changes would raise the developing countries' confidence in the relevance of the United Nations development system.

Mr. ALARCON DE QUESADA (Cuba) said that the current high-level session of the Council could be a landmark in the Organization's history if it truly led to the strengthening of international development cooperation. It was essential to recognize two fundamental premises. The first was that such cooperation was a duty imposed by the Charter; the second was that the duty would remain far from being fulfilled unless prevailing attitudes and practices were radically changed. Certain recent documentation and initiatives tended to distort the Organization's role and further reduce its capacity to fulfil its mandate.

Faced with a situation in which the deaths of children under five years of age equalled in number, every 18 months, the victims of all the armed conflicts throughout the world since 1945, United Nations action could not be restricted to mere technical or humanitarian assistance - in other words, confined to the notion of mitigating suffering without seeking to eradicate its causes.

The solution lay in justice and true solidarity, and in a system of international relations in which the developing countries' prosperity was promoted by doing away with unequal terms of trade, external indebtedness, reverse transfer of financial resources, structural adjustment policies imposed at enormous social cost, and in the inequitable distribution of wealth, utilization of natural resources and patterns of consumption. There

(Mr. Alarcon de Quesada, Cuba)

must be an end to the imposition on the developing countries of neo-liberal policies which had adverse economic, social and environmental effects and reinforced the structural poverty inherent in any underdeveloped economy. The ending of the cold war and of the risk of nuclear confrontation rendered even less defensible the withholding, for the sake of the arms race, of resources essential to development.

To abandon such practices should be the first step in a viable United Nations development effort. The General Assembly had already defined a programme to promote genuine cooperation for development, including a stronger United Nations role. Only the requisite political will was lacking; on the latter, however, would depend the success of the Fourth United Nations Development Decade.

Mr. SAMUELLSON (Sweden) said it was important to recognize that United Nations activities in the fields of security and of economic and social affairs were mutually supportive. He agreed with the Secretary-General that a more integrated approach would imply changes in the structure and methods of work both of intergovernmental bodies and of the Secretariat, and endorsed his call for a new vision of development that was people-centred, equitable and sustainable. Transforming that vision into reality was central to United Nations responsibilities and should be a guiding principle for its economic and social role.

The same objective had been fundamental to the work of the Nordic United Nations project (see document E/1992/91), which had sought to translate rights and obligations into more transparent rules and norms to promote a stronger sense of partnership among Member States. The basic message of the Nordic project was that the quality and relevance of the field projects and programmes of many United Nations organizations needed to be improved. For many years the Nordic countries had financed one third of the voluntary contributions to certain key programmes and they therefore felt a special obligation to examine the efficacy of United Nations development assistance. Unless reform and improvement were forthcoming, it would be difficult for them to maintain their strong commitment to the United Nations in that field. The Nordic countries' proposals for a new governance structure and a new system of

(Mr. Samuellson, Sweden)

financing United Nations funds and programmes were outlined in the Nordic memorandum (E/1992/91).

The point of departure for the proposals was that the system of governance, leadership and funding needed for the political "meeting place" function was distinctly different from that needed for the operative or "executive" function. The sessions of many governing bodies had become huge gatherings simultaneously dealing with a wide spectrum of matters at different levels of governance. The aim was to create instead two different levels of governance. First, a body was needed to provide effective high-level guidance and cohesion for United Nations funds and programmes, such as an international development council. However, the aim was not to propose the establishment of a new body but to highlight the functions concerned, and the options for integrating those functions into the present structure were set out in the Nordic memorandum. Secondly, small executive bodies were needed to provide continuous operational guidance for individual United Nations programmes and funds, the mode of work and composition of which should reflect the United Nations basic character of a joint undertaking between the economically more developed countries and the developing countries.

The Nordic project also stressed the close link between governance and finance, and current financing difficulties could be seen as a reflection of underlying governance problems. The fragmentation of funds and the increase in extrabudgetary arrangements had made it increasingly difficult for donors and recipients to control activities, while the main drawback was the lack of relation between programme objectives and available resources.

The aim of the reform of the financing system should be to ensure the necessary effectiveness, predictability and stability of resources, with contributions shared more equally among members through a system involving a combination of assessed and voluntary contributions and negotiated pledges, as outlined in the Nordic memorandum.

He welcomed the Secretary-General's commitment to reform and was pleased to see that the proposal for more effective disaster-relief coordination was now being implemented. He also welcomed the decisive action taken by the Secretary-General for reform of the Secretariat, and stressed the importance

(Mr. Samuellson, Sweden)

of implementing the institutional arrangements needed to ensure momentum in the follow-up to the United Nations Conference on Environment and Development, including strengthening the Secretariat structure.

In addition to the mandates and roles of United Nations bodies and the governance and financing structures of funds and programmes, attention should also be focused on the proposals for reform of the specialized agencies. He expected that the President would make a summary of the discussions and conclusions, which would then serve as guidelines for the decisions to be taken at the forthcoming session of the General Assembly.

Mr. ARIAS (Spain) welcomed the Secretary-General's report (E/1992/82 and Add.1), which raised important questions with regard to enhancing the efficacy of United Nations development cooperation.

Although the measures adopted by the General Assembly to improve humanitarian and emergency aid mechanisms and the proposed creation of a high-level commission on sustainable development were encouraging signs, much remained to be done if the United Nations was to meet the new challenges of a constantly changing world.

The economic and social sector was of particular importance, and the final report of the Nordic United Nations project, submitted in 1991, had identified the problems and proposed bold solutions, including the need to eliminate overlapping and achieve greater transparency in the functioning of decision-making and management structures. Careful consideration should be given to the proposals to increase funding levels and stabilize them in the medium term, while available resources must be used as effectively and transparently as possible.

Proper account must be taken of the growing disparity between the economic and social situations of the developing and industrialized countries, and official development assistance programmes must be tailored accordingly. Particular emphasis had been placed in recent times on the concept of good governance and the relationship between human rights and economic and social development. A development policy must focus on the individual and his right to participate in political and social decisions. However, it was also important to apply such principles equally to all countries, both small and

(Mr. Arias, Spain)

large, and to recognize that the close ties between good governance, democracy, human rights and development must be translated into a coherent approach at both national and multilateral levels.

A particular cause for concern was the frequently unjustified propensity of certain developing countries to devote substantial resources to the purchase of arms rather than to economic development, while continuing to receive aid often in excess of that given to countries which had concentrated spending in the social sector. Giving priority to social measures was especially important for developing countries beset by illiteracy, unemployment, and lack of basic education and health-care facilities, which could lead to racism, xenophobia and drug addiction, thereby increasing social and political tensions.

In recent years his country had played an increasingly prominent role in development cooperation and the President of the Spanish Government had announced at the Rio Conference that, having tripled its development aid during the previous 10 years, Spain was firmly committed to tripling the volume of its aid once again in the forthcoming decade.

He attached considerable importance to strengthening the aid and cooperation provided through non-governmental organizations, most of which undertook selfless and important work, achieving an impact in many cases beyond the scope of Governments and international organizations.

In conclusion, he felt that the proposed world summit on social development in 1995 would provide an unparalleled opportunity for giving political impetus to the improvement of living conditions for the most disadvantaged sectors of the world's population.

Mr. KRINGSTAD (Norway) said that reform of the United Nations system was necessary to achieve a number of objectives. Firstly, improved high-level policy guidance was needed for operational activities, together with an improved dialogue to establish principles and priorities for development activities. The Economic and Social Council had been originally established to meet those requirements, but in practice it had not fulfilled its task. It was to be hoped that the more central role accorded to the Council under

(Mr. Kringstad, Norway)

General Assembly resolution 45/264 would enable it to exert a greater influence over international policy dialogue on development issues.

Secondly, the impact of the operational activities of the United Nations organizations must be enhanced. The development funds and programmes were small in financial terms but could play a vital role if run in an efficient and cost-effective way. Optimum use must be made of scarce resources and duplication of effort must be avoided, while seeking to coordinate activities as far as possible. There was also considerable scope for improvement with regard to working methods and staff competence.

Thirdly, the governance of development organizations must be improved so that the governing bodies of the agencies concerned could make informed decisions to guide the organizations in their work. Although the scope for direct participation by Member States would be reduced, small executive boards would still be reasonably representative and would make for much greater efficiency.

Fourthly, development organizations required a larger and more stable financial basis. That could be achieved through a system including assessed contributions, negotiated pledges and voluntary contributions.

Finally, the United Nations system needed a coordinated presence at country level, while it was essential for recipient countries to ensure national coordination of efforts.

Mr. BOLTON (United States of America) said that United Nations activities in the economic and social fields had reached a critical juncture. In the previous five years, the Security Council had operated more effectively than ever before because its actions had had an impact on real lives in the real world. The problem with the Economic and Social Council was that for many years its actions had failed to achieve any such impact. Unless something was done, the marginalization of the United Nations in the economic and social fields would continue. Although the Charter had given it specific functions in its own sphere of competence, over the years the Council had degenerated into a forum for rhetorical excess with hours and days wasted on resolutions which had no impact in the real world.

(Mr. Bolton, United States)

His delegation wished to put forward a number of recommendations based on the need to reduce duplication of effort and bring increased coherence to the United Nations system. Firstly, the Second and Third Committees of the General Assembly should be abolished. Secondly, the Economic and Social Council should be vested with the functions of an international development council, as proposed by the Nordic countries. Thirdly, serious consideration should be given to the ideas put forward by the Russian Federation. Finally, all activities should be judged by their potential impact on the real world.

His delegation also felt that further reforms were needed to make the entire system more effective. Operational bodies such as UNDP, WFP, UNICEF and UNHCR were at the core of United Nations development activities. However, those agencies had increasingly moved into new fields, exceeding the scope of their original functions. The main problem was the lack of effective coordination between component parts of the system, with inevitable overlapping. Again, his delegation wished to put forward a number of recommendations. Firstly, the proposal by the Nordic countries for small executive governing boards for operational bodies should be adopted. Secondly, better coordination was needed among the agencies and also within Governments. Thirdly, careful consideration should be given to the role of the regional commissions and to the question of whether they should continue in their present form. The time for such reforms was now, before it was too late.

Mr. KURTH (Germany) said that his country took a keen interest in the reform of the United Nations development system and was resolved to shoulder increased international responsibility, including closer cooperation with the countries of the southern hemisphere. The plan to make Bonn a national and international centre for North-South cooperation was part of that commitment. While agreeing with the Secretary-General on the interdependence between peace and security and economic and social development, he felt that greater integration and coherence should not lead to a centralization of functions and power at Headquarters in New York.

His country had always believed in the comparative advantages and special expertise offered by the multilateral approach to economic and social

(Mr. Kurth, Germany)

development, which needed to be more fully exploited. However, there was growing concern about deficiencies in the multilateral system as a whole and in some organizations and institutions in particular. Critics were calling for more clearly defined accountability, greater transparency and efficiency in decision-making, both at Secretariat level and in governing bodies, greater compliance with properly formulated development priorities, hard evidence of the cost-effectiveness of cooperation measures, improved coordination and avoidance of duplication, and greater resistance to empire-building in administrations. Due weight must be given to all those concerns, which were mainly related to good governance and good management. Improving governance must be the starting-point for reform and he welcomed the proposal put forward by the Nordic countries for small executive boards for the main programmes and funds, as well as the concept of an intergovernmental body to provide broad guidance for the smaller executive bodies. It would be preferable to use existing structures for that purpose rather than creating new bodies.

Once governance had been improved, it would be easier to discuss new forms of funding, since the two questions were closely related. His country understood the concerns related to total reliance on voluntary contributions, but would approach any discussions with an open mind.

Finally, he supported the idea of unified United Nations offices at country level as an appropriate way of promoting coherence and effectiveness in the field.

Mr. AHTISAARI (Finland) said that the role of the United Nations in maintaining peace and security was inseparable from the support it provided for development efforts, and that the functions of the various agencies within the United Nations system should be differentiated according to their specific mandates and comparative advantages, as envisaged in the proposals for reform put forward by the Nordic countries in document E/1992/91. Those functions should also be distinguished from the macroeconomic considerations of IMF and the long-term investment concerns of the World Bank. Clearly, further analysis would be needed to determine which aspects of development posed the most likely threats to peace and security, but the development activities of the United Nations should not be limited to countries in which crisis was

(Mr. Ahtisaari, Finland)

imminent or where destruction must be repaired: even stable but underdeveloped countries were entitled to undiminished assistance, and development activities ought to be seen as a counterpart of the Organization's long-term preventive diplomacy.

The United Nations was uniquely placed to provide innovative analysis and policy advice on such interrelated issues as the international economic situation and the link between trade, finance, investment and technology and their effects on the environment. To fulfil that role, however, both the Economic and Social Council and the operational activities of the United Nations must be strengthened. In particular, effective guidance at the level of programmes and funds would require smaller executive organs and a closer relationship between the governing body and management, while preserving a balance between efficiency and equitable representation in the former.

The current funding system of operations activities, which was based solely on voluntary contributions, including administrative costs, had been found to be insufficient and unpredictable. In order to ensure more reliable financing for those activities the Nordic countries had proposed a three-tier funding system combining negotiated pledges and a small portion of assessed contributions, the balance being met from voluntary contributions. The Nordic delegations hoped that further discussions on the reform of governance and financing could take place at the next session of the General Assembly. Their concerns, which seemed to be in line with the views of the Secretary-General, pointed to an underlying current in favour of radical reform.

Mr. DEBARGE (France) said that his delegation fully endorsed the views expressed by the United Kingdom representative on behalf of the European Community. Two aspects seemed to be of paramount concern in determining the role of the United Nations in international development cooperation, the first being the realization that development itself could not be confined solely to the economic dimension, and that it should not be seen in a strictly national context. It was essential that the possible impact at the regional level was taken into account. At the same time, development could not be successful without genuine participation by the populations affected, as the failure of totalitarian experiments had shown.

(Mr. Debarge, France)

The second consideration in determining the nature of the Organization's activities was the need to maintain complementarity between the United Nations and the Bretton Woods institutions, thus strengthening the macroeconomic focus of those activities, which had thus far been somewhat overlooked in development programmes. In that connection, the revitalization of the Economic and Social Council could play a vital part.

In the field, concerted action by the various agencies was required, in addition to proper differentiation between the specific mandates of each institution: in particular, the Economic and Social Council should concentrate on negotiation and analysis, while the specialized agencies focused on technical expertise and the Bretton Woods institutions on financing through funds and programmes. In that regard it was essential, firstly, to simplify and rationalize activities in order to avoid overlapping; secondly, to draw a distinction within each institution between policy-making and management; and thirdly, to ensure that central coordination of the system lay with the Council, acting under the authority of the General Assembly. Finally, and most importantly, successful reform would depend on the political will of Member States and the financial efforts they were prepared to make at the national level on behalf of development, always bearing in mind the goal of allocating 0.7 per cent of GDP to official development assistance.

Mr. ROZENTAL (Mexico) said that the main aim of development cooperation should be to encourage the creation of conditions in the field of trade, financial flows and technology transfer which would stimulate development, and to encourage the channelling of technical aid to developing countries. Although the two fields were closely interrelated, international development cooperation should be seen not solely in terms of peace and security, but rather as an instrument to promote social progress and improve living standards.

With regard to the various proposals for structural reform, he stressed that it was the task of the Member States to decide on the restructuring and revitalization of the Economic and Social Council, in line with the relevant resolutions of the General Assembly, in particular resolution 45/264.

(Mr. Rozental, Mexico)

While it was true that the work of the General Assembly and the Economic and Social Council needed to be rationalized, little would be achieved unless greater political will was shown by the Member States, particularly the richer ones, to give a genuine commitment to international cooperation. Accordingly it was necessary to improve the effectiveness of United Nations activities, using as a point of reference the priority guidelines set by the Member States.

The main priority was the fight against poverty, which affected a majority of the world's population. Helping those people to meet their basic needs and participate under better conditions in productive activities was the major challenge facing the international community.

Mr. WOEHLK (Denmark) said that the time had come to take a closer look at the established structures of the United Nations, which like other international and intergovernmental institutions had a tendency to proliferate. The system must be reformed in order to deal with urgent problems and emerging opportunities and to do away with inefficiency, overlapping and lack of transparency. The Nordic countries had therefore put forward proposals (E/1992/91) for reform with the aim of substituting a two-tier structure for the existing governance system. Without reform of governance, it was unlikely that the funding base for the operational activities of the Organization would increase, or even be maintained at the current level. Previous experience had also indicated the need for more secure and predictable financing for United Nations operational activities and the current high-level debate could only underscore the requirement for open discussion of reforms and proposals which the General Assembly could endorse at its next session.

Mr. ENE (Romania) said that widening economic inequalities and inequities and the scarcity of natural resources should not be the occasion of confrontation in the search for common interest. The role of the United Nations was crucial in that respect, not least because cooperation at global, regional or even bilateral levels could be effective only to the extent that the partners involved did not represent opposite poles of performance and welfare, but also because poverty itself was the main source of global disorder.

(Mr. Ene, Romania)

Effective international cooperation for growth and recovery could only be possible if all major countries made it their own objective. However, the constraints imposed by the interdependence of the world economy could be dealt with only through jointly formulated policies designed to favour necessary adjustments and the general growth of the world economy. Against that background, the international community was duty-bound to intervene to prevent violations of the principles of economic partnership, just as it did with increasing efficiency in the case of threats to international peace and security.

The process of reform currently under way in Romania involved the transition from a totalitarian system and from an inefficient command economy to a genuine democratic State based on the rule of law, respect for human rights, political pluralism and a market economy. At the same time, his country found itself faced with an inevitable decline in production and living standards, apart from the consequences of internecine wars and conflicts taking place in the immediate proximity of its borders. Moreover, in the recent past, Romania had been unjustly treated in its access to the official and private financial resources needed to surmount its difficulties. In the process of democratizing its society, it was determined to become a stable and reliable partner in economic and trade exchanges, and was fully aware of the important role that international cooperation and external assistance could play.

Mr. MARTIN (Australia) said that the revitalization of the United Nations must be based on the binding relationship between the goals of economic development and social justice, an interrelationship that had been reinforced at the Rio Conference, which had reaffirmed the relationship between environment and development, the need for sustainable development, and the fundamental priority of alleviating poverty. There was clearly a choice between reshaping the United Nations to achieve an integrated approach to human development, and losing an historic opportunity for human progress. The foundations for change had already been laid in General Assembly resolutions, and the task now was to build on that foundation, in particular by examining the respective roles of the Assembly itself, the Economic and Social Council

(Mr. Martin, Australia)

and their subsidiary bodies. The establishment of a commission on sustainable development would add special urgency to that task.

The General Assembly should concentrate on its role as the main source, under the Charter, of policy advice and guidance on economic and social issues, while the Economic and Social Council should confine its activities to the functions of coordination and initiating reports on relevant issues and of furnishing information to the Security Council.

More specifically, the Economic and Social Council must take a more innovative approach towards fulfilling its responsibilities under Article 62 of the Charter. In that context, the high-level segment must be used to address current economic and social issues of concern to Member States which could not be covered by the regular agenda of the General Assembly. Analytical reports of high quality drawn up or initiated by the Council should form an important part of that process. At the same time, the Council's coordinating role must be strengthened and clearly distinguished from the policy-making role of the General Assembly. Similarly, its responsibilities in relation to the Security Council under Article 65 of the Charter had been separately addressed by the Secretary-General. All the reports relating to the Council's coordinating role had underlined the interdependence of peace and security, economic development and social justice.

At the same time, there was an urgent need to improve the governance of the United Nations operational activities at the agency level. His delegation fully supported the Nordic proposal to establish smaller executive boards, to be complemented by new and more appropriate and efficient procedures. At the country level, the offices of United Nations agencies should be amalgamated in order to improve the coordination of operational activities and to enhance the effectiveness of the Organization at the field level.

In conclusion, he said that the work of the General Assembly and of the Economic and Social Council must be considered as complementary, and that the establishment of the commission on sustainable development must be considered as part of the endeavour to ensure an efficient division of labour and responsibility within the United Nations system.

Mr. LAVROV (Russian Federation) said that his delegation fully recognized the need to achieve a unified approach to both peace-keeping and development. The first steps had been taken, and, however difficult the task, the United Nations must continue to adapt itself to changing circumstances. In that regard, three criteria were essential. First, every body within the system must translate its good intentions into action within its sphere of competence; second, there must be coordination within the United Nations socio-economic sector; and third, there was a need to harmonize socio-economic activities with other priority undertakings of the Organization, including peace-keeping, the settlement of regional conflicts and ensuring high standards of democracy and human rights. In that connection, he fully supported the Secretary-General's endeavours in the area of early-warning activities regarding potential problems and crises. The functions of the United Nations in monitoring destabilizing factors in the social and economic fields, including disasters, ethnic hostilities, the violation of human rights and the enforced expulsion of populations, should also be strengthened.

The interests of international cooperation for development were well served by the complementary nature of the United Nations itself and other international economic organizations, particularly the Bretton Woods institutions. At the same time, cooperation with non-governmental organizations should be strengthened.

Among the various suggestions for the improvement of United Nations operational activities, his delegation would single out those proposed by the Nordic delegations in document E/1992/91. The idea of streamlining the structure of governing bodies of various technical assistance funds by establishing an international development council was worth further exploration. It might be helpful if the Secretary-General in his capacity as Chairman of the Administrative Committee on Coordination (ACC) were to invite the President of the Economic and Social Council and the Chairman of the Committee on Programme and Coordination to participate in certain meetings of ACC. The Secretary-General might also consider submitting proposals regarding division of labour within the United Nations system with a view to ensuring that each agency confined itself to its own constitutional responsibilities.

The meeting rose at 1.20 p.m.